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ABSTRACT

Year-round schools have a place in the urban education process. However, the many fiscal pressures facing large city school systems may prohibit them from instituting the rescheduled school year. Only if State governments make fundamental reforms in their educational finance systems can urban school districts participate in the benefits of year-round schools. Without such reforms, urban school systems will be bypassed in the course of educational reform. The author shows how the fiscal capacity of cities is overstated; he documents municipal overburden in cities; and he shows how most suggested alternative methods of State financial aid discriminate against cities. (Author/JF)

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YEAR-ROUND SCHOOLS AND URBAN SCHOOL FINANCE

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YEAR-ROUND SCHOOLS AND URBAN SCHOOL FINANCE

Year-round schools have a definite place in the urban education process. However, the many fiscal pressures facing large city school systems may prohibit them from instituting the rescheduled school year.[1] Only if state governments make fundamental reforms in their educational finance systems will urban school districts participate in the benefits of year-round schools. Without such reforms, urban school systems will once again be bypassed in the course of educational reform. Such is the main contention of this paper.

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Urban school systems could utilize year-round schools for a variety of reasons, the main one being the need for processes of compensatory education in big cities.[2] Urban school systems, as you are well aware, are the home of those that are hard to educate.[3] And it appears that compensatory education for these pupils will involve several factors that are associated with the year-round school process: namely lower teacher-pupil ratios[4] and the possibility of longer time in the schooling process when educational disabilities are present. The rescheduled school year offers other benefits

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1. Seymour Sacks, City Schools/Suburban Schools: A History of Fiscal Conflict, Syracuse: Syracuse University Press, 1971.
2. I am, of course, assuming that compensatory education can be achieved; see Herbert Ginsburg, The Myth of the Deprived Child, Englewood Cliffs: Prentice Hall, 1972.
3. See Robert Reischauer and Robert W. Hartman, Reforming School Finance, Washington: Brookings Institution, 1973, p. 65.
4. National Education Finance Project, Future Directions for School Financing, Gainesville, Florida, 1971, pp. 28-29.

for the urban school district as well. It would permit annualization of teacher salaries and possibly offer cities even greater ability to compete with suburbs for more competent teachers. It also would allow for the development of integrated social services to be offered through the school on a continuous basis as now occurs in such cities as Boston, Atlanta, and Flint, Michigan. Finally, it would also give rise to the development of more specialized education programs which offer direct economic benefit to poor inner-city children, better vocational education being one prime example.[5]

Given these benefits one might ask why more large cities have not undertaken year-round school programs. Indeed, even though many states provide no indirect incentives for such programs and while fewer regional educational units have attempted such projects on a demonstration basis in large cities, it seems clear that urban districts have not availed themselves of such programs largely due to the fiscal pressure on their school finances, pressure that is still to be alleviated by the workings of most state-local educational finance systems.

When viewed from the standpoint of comparative need, wealth, tax effort, and cost, large city school districts deserve extraordinary amounts of state and federal assistance. Yet, most state aid systems actually grant urban school districts assistance that is well below state average while federal aid is usually insufficient to meet

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5. See Bennet Harrison, Education, Training, and the Urban Ghetto, Baltimore: John Hopkins University Press, 1972.

the overall educational needs in large cities.[6] Why is this so? As the following data will indicate, insufficient attention is being paid to the multiple fiscal problems of urban districts. Only by considering the overall fiscal profile of large-city districts can more basic fiscal assistance be channeled into urban centers.

Fiscal Capacity. Urban schools are generally considered among the most wealthy in any particular state-local finance system. Yet by some measures, urban areas exhibit a fiscal capacity that is not markedly above state average.[7] Thus, the conventional way in which wealth is measured in most school finance formulae overstates the relative wealth of urban districts.

The measurement of wealth is deficient on several counts. First, the measure is property rather than income-based in nature. Thus, in some states, cities appear wealthy because of the overconcentration of property values, particularly of a commercial and industrial nature in large urban centers. When personal income is the wealth measure, cities such as New York, Philadelphia, Pittsburgh, and Providence exhibit a lower concentration of wealth. In areas where this is not true, cities evidently experience a problem with overconcentration of tax-exempt property within their borders. Sometimes, property values tend to overstate the wealth centered in large urban areas. If income were accepted as a suitable wealth measure as it is in virtually all other formulae type grants administered by

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6. Joel S. Berke, et al, Federal Aid to Education: Who Benefits?, Washington: Senate Select Committee on Equal Educational Opportunity; also
Joel S. Berke, et al, Financing Equal Educational Opportunity: Alternatives for State Finance, Beverly Hills: McCutchan Press, 1971.

7. Reischauer and Hartman, op. cit.

state and federal government, some cities would exhibit less wealth than they presently do.

However, the overstatement of urban fiscal capacity stems most importantly from the inappropriate way in which wealth is measured in most state aid formulae. That is, most aid formulae measure wealth in per pupil rather than in per capita terms.'' This is another convention of school finance systems which attests to the traditional separation of educational and general public finance systems. However, it is a tradition which results in drastic overstatement of urban fiscal capacity due to the generally lower enrollment ratios that occur in urban school districts. Thus, at a time when per pupil property values in 34 large American cities average 62 percent higher than state average; per capita income is only 5 percent higher (see Table 1). Indeed, whether using either per capita property values or per capita income in a school finance formulae, central city fiscal capacity would be more realistically stated and cities would not be made to appear artificially wealthy.

Not only do cities have wealth that is not markedly above state average, but also data on income distribution indicate that cities have such a concentration of poverty that it would be difficult for them to effectively tap the income wealth that they now have. Using data on 1969 income distributions, the 36 largest central city areas have 10 percent more families having incomes below the poverty level in 1969-1970 and 7 percent fewer families that were earning more than $15,000 in 1969-1970 than state average. Thus, cities have an overconcentration of poor families and a relative lack of rich ones. This is even more true when city-surburban comparisons

TABLE 1

City-State Ratios of Per Pupil Property Values and Per Capita Income, 1970-1972	Per Pupil Property Value Ratio 1971-1972 (1)	Per Capita Income Ratio 1970 (2)	Col. (1) / Col. (2)
Baltimore, Md.	76	81	94
Boston, Mass.	78	88	89
Newark, N. J.	73	89	82
Buffalo, N. Y.	78	83	94
New York, N. Y.	145	102	142
Rochester, N. Y.	111	95	117
Philadelphia, Pa.	116	95	122
Chicago, Ill.	125	100	125
Indianapolis, Ind.	160	114	140
Detroit, Mich.	213	108	197
Minneapolis, Minn.	223	122	183
Kansas City, Mo.	185	109	170
St. Louis, Mo.	192	95	202
Cincinnati, Ohio	225	105	214
Cleveland, Ohio	240	92	261
Columbus, Ohio	164	105	156
Dayton, Ohio	198	96	206
Milwaukee, Wis.	137	109	126
Miami, Fla.	143	110	130
Tampa-St. Petersburg, Fla.	84	107	79
Atlanta, Ga.	278	127	219
Louisville, Ky.	131	118	111
New Orleans, La.	179	115	156
Dallas, Texas	306	128	239
Houston, Texas	224	118	182
San Antonio, Texas	138	85	162
Los Angeles, Calif.	132	112	118
Long Beach, Calif.	88	110	80
Riverside, Calif.	118	96	123
San Diego, Calif.	110	96	115
San Francisco, Calif.	247	116	213
Oakland, Calif.	145	106	137
Denver, Colo.	171	119	144
Portland, Ore.	138	118	117
TOTAL (UNWEIGHTED AVERAGE)	162	105	154

Source: General Population Reports of U. S. Bureau of Census and Selected State Department of Education Reports.

are made.

All these factors--use of property values rather than personal income to measure wealth, the measurement of fiscal capacity on per pupil rather than per capita terms and the failure to adjust local fiscal capacity by indicating the nature of local income distribution--all combine to overstate the wealth of big cities. Consequently, cities appear rich in most educational finance systems when they generally have a fiscal capacity that is generally no more and frequently considerably less than state average.

The consequences of incorrectly stating fiscal capacity are two-fold in nature. First, cities are deprived of additional basic state support since they appear overly wealthy. Subsequently aid becomes redistributed from urban to rural and suburban areas. Secondly, by appearing to be more wealthy, it is expected that cities can raise revenue more easily than other jurisdictions. Thus, it appears that cities are advantaged districts. Accordingly, they receive less aid and are expected to exert more fiscal effort in order to raise their educational expenditures. Yet, as this analysis suggests, the wealth of most large urban centers is more apparent than real. Their fiscal capacity does not markedly exceed state average; they are jurisdictions that often only have average or moderate fiscal capacity which is artificially overstated by the way in which education finance systems measure local wealth.

Municipal Overburden. Urban school districts not only have less wealth than is commonly supposed, but they also have less ability to use that wealth for educational purposes than do other types

of school districts. Partly as a result of the higher concentrations of poorer populations, partly due to higher population density, industrialization, and urbanization, cities have notably higher non-educational expenditure requirements than do other types of local areas. Indeed, for 44 selected cities under consideration, per capita police costs averaged 53 percent higher than state average; fire protection expenditures 91 percent higher and refuse collection and disposal expenditures 87 percent higher. Where these cities had responsibility for the function, health and hospital costs were 75 percent higher and sewage costs were 66 percent higher in 1969-1970. All these higher expenditures, of course, are not strictly voluntary. Rather they occur due to the greater needs for these services in cities because of poverty, urbanization, and population density. These services, then, are the necessary public sector requirements of large urban centers.

The higher cost for these services reflects itself in the much lower proportion of local budgets that cities can allocate to education. Thus, in 1969-1970, the central cities of the thirty-six largest metropolitan areas allocated 33 percent of their budget for education; at the same time their respective suburbs devoted 57 percent of their budgets for such purposes while local governments in their respective states as a whole devoted 46 percent of their total direct general expenditures to education (see Table 2). Thus, cities with their municipal overburden do not devote as much of their resources to education as do other local areas. This is as true in 1970

TABLE 2

City-State Comparison of Proportion of Expenditures Used for Education, 1969-1970	Percent of Local Expenditures Being used For Education, 1969-1970	
	City	State
Baltimore, Md.	34	49
Boston, Mass.	26	45
Newark, N. J.	28	44
Paterson-Clifton-Passaic, N. J.	34	44
Buffalo, N. Y.	34	33
New York, N. Y.	20	33
Rochester, N. Y.	31	33
Philadelphia, Pa.	35	54
Pittsburgh, Pa.	34	54
Providence, R. I.	35	51
Chicago, Ill.	30	47
Indianapolis, Ind.	41	54
Detroit, Mich.	37	50
Minneapolis, Minn.	29	48
Kansas City, Mo.	33	52
St. Louis, Mo.	30	52
Cincinnati, Ohio	23	45
Cleveland, Ohio	39	45
Columbus, Ohio	33	45
Dayton, Ohio	38	45
Milwaukee, Wis.	29	40
Miami, Fla.	37	48
Tampa-St. Petersburg, Fla.	42	48
Atlanta, Ga.	39	48
Louisville, Ky.	23	56
New Orleans, La.	36	51
Dallas, Texas	39	52
Houston, Texas	45	52
San Antonio, Texas	43	52
Los Angeles-Long Beach, Calif.	28	35
Riverside, Calif.	37	35
San Diego, Calif.	33	35
San Francisco, Oakland, Calif.	23	35
Denver, Colo.	34	47
Portland, Ore.	39	53
Seattle-	29	52
TOTAL (UNWEIGHTED AVERAGE)	33	46

Source: Derived from U. S. Bureau of Census Reports on Local Government Finances in 72 Largest

as it was when the phenomena was first noted in 1957.[8] (See Table 3.) Indeed, if cities could devote proportionately as much of their local expenditures to education as do their surrounding suburbs, they would far outspend suburban and rural districts.

The retarding effects of municipal overburden, are especially notable when one notes the level of effective large-city local tax rates. Urban districts not only have considerable non-educational fiscal requirements, but they also have local tax rates that are rarely surpassed by other jurisdictions in a state. Thus, the 36 largest central city areas surveyed, 29 have total tax rates higher than state average, and 18 have total local tax rates that are over 20 percent above state average; some have tax rates that are even as high as 70 percent above state average. These excessively high effective local tax rates make it virtually impossible for these jurisdictions to raise their taxes for education or any other pressing service. Indeed, by further raising taxes, central cities are promoting the continued flight of middle and upper income families and taxable property values from city to suburban areas. The loss of tax base, in turn, creates further tax pressure on the central city.

Given this combination of municipal and total tax overburden, do cities have any way of circumventing this chain of fiscal dependence? The answer has to be no. Indeed, cities have attempted to follow tax policies that would alleviate these tax burdens, yet

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3. Joel S. Berke and John J. Callahan, *Serrano v. Priest: Milestone or Millstone*, Journal of Public Law, 21, 1, Summer, 1972, p. 48.

TABLE 3

SELECTED FISCAL CHARACTERISTICS

CENTRAL CITY AND SUBURBAN AREAS

1959 - 1970

Fiscal Characteristic	72 Largest Metropolitan Areas (1970)			37 Largest Metropolitan Areas (1957)			(1970)		
	CC	OCC	CC/OCC*	CC	OCC	CC/OCC	CC	OCC	CC/OCC
Expenditures									
Total Per Capita Expend.	$478	$364	131	$196	$155	127	$524	$385	136
Per Capita Ed. Expend.	174	204	85	61	80	76	183	211	87
Per Capita Non-ed Expend.	304	160	190	135	74	182	341	174	196
Ed. Exp. as % of Total	38%	58%	64	32%	53%	60	35%	55%	63
Taxes									
Per Capita Taxes	$468	$367	130	$117	$ 80	146	$258	$190	136
Taxes as % of Income	6.7%	5.0%	134	7.0%	5.4%	129	7.3%	5.1%	143
Aid									
Per Capita Ed. Aid	$ 65	$ 83	78	N.C.**	N.C.	N.C.	$ 64	$ 81	79
Per Capita Non-ed. Aid	82	45	182	N.C.	N.C.	N.C.	101	45	224
Aid as % Total Exp.	30%	36%	83	20%	26%	77	31%	33%	94
Ed. Aid as % Ex. Exp.	37	41	90	N.C.	N.C.	N.C.	35	38	92

* Central city as percentage of ouside central city
**Not computed

Source: A report compiled from 1970 data of the U. S. Bureau of the Census. "Local Government Finances in Seventy-two Metropolitan Areas," prepared for the Advisory Commission on Intergovernmental Relations by Seymour Sacks and John J. Callahan, and as appeared in the Journal of Public Law, Volume 21, No. 1, 1972, p. 48.

many may be counterproductive in the long run. Thus, in the matter of local property taxes, it appears that many large cities exhibit differential assessment policies which result in overassessment of higher-priced residences and in overassessment of non-residential property. Both policies, of course, increase tax burdens on more wealthy properties and provide an inducement for their owners to locate elsewhere.

Another policy cities attempt to follow is the adoption of taxes that effectively tap the incomes of suburban residents. Thus, municipal income taxes have been adopted in 12 of the 47 largest cities in the country; local sales taxes are utilized in 21 of these same cities. Yet, as the economic dominance of most large cities wanes, the usefulness of these taxes will subside. Indeed, the phenomenal growth of suburban sales and employment may already herald the futility of cities adopting these local revenue instruments. Moreover, in a number of other cases, overlying governments, particularly counties, are taking responsibility for the use of these revenue instruments. As this occurs, cities are preempted from using these instruments.

Cities also have to contend with a host of countervailing forces that hinder their attempts to offset their local tax burdens. Thus, in a number of cities, overlapping governments such as counties and areawide special districts have control over taxing and spending policies that affect central city areas. Indeed, in 36 selected cities these overlapping jurisdictions account for 17 percent of the total local expenditures made in central city areas. In the cities surveyed, overlapping government finances reached a high of 40

percent in Los Angeles-Long Beach and a low of 0 percent in Baltimore, Boston, and Paterson-Clifton-Passaic. Thus, many cities cannot directly control the taxing and spending policies that directly affect city fiscal burdens. Also, in some areas, overlapping jurisdictions, particularly counties, will tax a city for a service but not actually expend any monies for that purpose in the city. This evidently occurs in such cities as Los Angeles, Chicago, and Atlanta and has been found to occur even when counties contract services to municipalities.[9] Areawide special districts, many of which are state created and only mildly responsive to central city direction, are another set of governments that add to city fiscal burdens. They are particularly important in the water quality function, for example, accounting for over 20 percent of all such expenditures in the 38 largest metropolitan areas, in 1969-1970.

Given all these problems in reducing city tax burden, urban areas have increasingly turned to higher levels of government for assistance. Analysis done since 1957 indicates that cities are generally receiving higher levels of overall state and federal aid since 1957. At the same time, cities' expenditures have increased at an even faster rate so that state and federal aid as a percent of local expenditure is generally no higher in large cities now than it was ~~in 1957.~~ Especially since state and federal aid is still a minor part of many non-educational functions, cities will continue

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9. See Advisory Commission on Intergovernmental Relations, Profile of County Government, Washington, 1972.

to be financing functions that do not receive overly substantial external support. Thus, higher levels of government have not aided city-type functions at the same rate as education though the expansion of unconditional aid systems in several states and federal general revenue sharing do offer some hope of channeling more aid into central cities.

In summary, cities spend a lower proportion of their expenditures on education than do other areas. At the same time they exhibit higher tax rates. The policies they undertake to offset these tax burdens are frequently counterproductive in the long run and they generally have not received sufficient aid from higher levels of government to offset their fiscal burdens. All the while, poor and minority populations with their higher expenditure requirements continue to concentrate in large cities, further adding to the total tax overburden of these areas.

Municipal and total tax overburden severely straps the ability of cities to raise more money for education. Consequently, basic school operating expenditures are depressed below levels that might have prevailed if these burdens had not existed. The fiscal ability of cities to support education, then, must be adjusted for the fact of municipal or total tax overburden.

Educational Need. Cities are the homes of those pupils who are very expensive to educate. Both in absolute numbers and relative proportions large cities have pupil enrollments that are high cost in nature. Thus, of the 16 cities for which we were able to gather information, mentally and physically handicapped students generally averaged 28 percent of city enrollment; students

in vocational-technical categories made up 6.9 percent of basic enrollment; students with special learning disorders 1.6 percent, and compensatory education or Title I ESEA students were usually 30.3 percent of total enrollment. In total, all categories of these high-need pupils generally composed 41.6 percent of large city enrollment (see Table 4).

Not only do these students make up a considerable proportion of central city enrollments, but available data indicate they are more heavily concentrated in city areas than in other parts of a state. Indeed, looking at the relative city and state concentrations of compensatory education pupils it is not uncommon to see city concentrations exceed state average by a ratio of more than two to one. While data for other types of pupils are not immediately available, other reports note similar overconcentrations of such pupils in urban school districts.

The disproportionate loading of these students in city districts adds another dimension to the urban educational crisis. Due to the higher expenditure requirements for these students, as noted by the National Educational Finance Project, cities must devote more fiscal resources to these students. They either must drastically lower teacher-pupil ratios as has been suggested or make available a whole host of other types of resources for such pupils. Given the fact that those resources also cost more on the average in cities, the fiscal bind is indeed a cruel one.

The magnitude of the fiscal burden imposed by these pupils can be indicated by showing what per pupil expenditures would be in these 16 cities if all these pupils had resource endowments in ac-

TABLE 4

Pupil Composition Selected Large Cities 1971-1972	Student Types as a Percent of Total				
	Physically or Mentally Handicapped	With a Special Learning Disorder	Title I Elibible	Vocational Technical	Total Special Category
Boston Mass.	3.7	4.7	36.1	1.5	47.0
Buffalo, N. Y.	4.0	NA	31.4	9.0	44.4
Pittsburgh, Pa.	3.8	.5	48.9	7.2	60.4
Chicago, Ill.	2.5	.1	60.8	27.1	90.5
Detroit, Mich.	2.6	.3	32.7	.6	36.2
Minneapolis, Minn.	3.8	7.8	16.8	2.9	31.3
St. Louis, Mo.	5.2	.2	29.8	7.0	42.2
Cleveland, Ohio	1.3	.1	43.1	6.7	51.2
Milwaukee, Wis.	2.7	NA	37.2	NA	39.9
Atlanta, Ga.	.8	.1	7.3	4.9	13.1
Houston, Texas	2.2	NA	25.7	7.3	35.2
Los Angeles-Long Beach, Calif.	1.9	5.2	34.6	12.9	54.6
San Diego, Calif.	1.5	.5	9.5	6.1	17.6
San Francisco-Oakland, Calif.	2.2	.8	32.4	1.9	37.3
Denver, Colo.	3.6	.9	16.4	5.2	26.1
Portland, Ore.	5.2	2.3	52.7	10.2	70.4
TOTAL (UNWEIGHTED AVERAGE)	2.8	1.6	30.3	6.9	41.6

Source: Pupil Composition Survey Sponsored by Great Cities School Council.

cord with NEFP weightings or indicating the additional available teaching resources that would have to be applied to meet educational needs for these students. According to data presented herein, average weighted per pupil expenditures in the 16 surveyed districts would have had to have been $1,421 rather than $956 per pupil, its 1971-72 level. Thus, expenditures would have had to increase by at least 49 percent in these districts. Or put another way, teacher employment would have had to increase from the 118,000 level observed in 1971-72 to over 170,000 (see Table 5).

By all indications, the concentrations of high need pupils is not likely to abate in the near future. Data from various U. S. Census Bureau publications indicate that non-white and poor populations are continuing to increase in the nation's large cities. Indeed, in the nation's 72 largest metropolitan areas, central cities accounted for 86 percent of all metropolitan non-white population growth between 1960 and 1970.[10] And as earlier data indicated poor populations tend to be the most highly concentrated in city areas. Both these facts indicate increased educational overburden for the country's large-city school districts. Without recognition of this burden, central city fiscal requirements will be understated and large-city fiscal capacity to meet these requirements overstated. Clearly adjustments for need differentials are in order.

Educational Costs. Finally, city school districts are areas where even ordinary educational outputs are more expensive

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10. Seymour Sacks and John J. Callahan, "Central-City-Suburban Fiscal Disparity," Washington: ACIR, forthcoming, 1973.

TABLE 5

City Fiscal and Teacher Requirements Arising From NEFP Weightings, 1972	Present Per Pupil Expenditure	NEFP Per Pupil Requirement Expenditure	Present Teachers	NEFP Required Teachers
Boston, Mass	$ 918	$1271	4652	5937
Buffalo, N. Y.	1293	1917	3327	4002
Chicago, Ill.	1024	1789	25403	37786
Detroit, Mich.	803	1159	10533	16473
Minneapolis-St. Paul, Minn.	1085	1576	3142	3256
St. Louis, Mo.	698	1017	3960	6297
Cleveland, Ohio	744	1158	5727	8830
Milwaukee, Wis.	962	1429	5140	7220
Atlanta, Ga.	856	1057	4753	5791
Houston, Texas	685	973	8897	13603
Los Angeles-Long Beach, Calif.	1078	1719	24239	39319
San Diego, Calif.	813	1047	5301	6724
San Francisco-Oakland, Calif.	1388	2163	5070	4973
Denver, Colo.	1143	1543	4168	5351
Portland, Ore.	852	1500	3615	4733
TOTAL	$ 956	$1421	117927	170295

Source: Derived from Table 4.

than in most other areas.[11] In brief, this high cost stems from the greater need for certain auxiliary services in central city school operations, the higher pay scales for instructional and supporting personnel, the greater concentration of more experienced and better educated teaching personnel in cities, and the much higher costs for capital expenditures.

Looking at data provided by the U. S. Office of Education it can be noted that with the exception of administration and transportation costs, central city educational costs are considerably higher than state average. Indeed, in the categories of professional and non-professional salaries and auxiliary services such as recordkeeping, maintenance of plant, and fixed charges such as aggregate city educational expenditures exceed even that of total suburbs by an average of $25 per pupil. When looking at the very largest of central cities, the differential increases to as much as $70 per pupil.

There appear to be three types of cost factors affecting large city education. One concerns the higher per pupil costs that cities have to incur for such expenses as attendance, health services, and operation and maintenance of plant. Due to the composition of pupil enrollment and such things as the relative age of city school facilities, more resources must be devoted to these services than in other types of districts. A second factor concerns the higher prices that cities must pay for many of their educational services. Capital

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11. Betsy Levin, et al, The High Cost of Education in Cities, Washington: Urban Institute, 1973.

costs in particular are substantially more expensive in cities due to price-related differentials in site acquisition and building cost factors. Indeed, the high prices of these services especially in very large cities may be one factor in retarding overall central city capital facility programs. In the same vein, data on teacher salary schedules also indicates that cities have substantially higher pay schedules than other types of districts in suburban or rural areas. This cost in part seems attributable to the higher cost of living in central cities, the fact of large unionization, and the need for city school systems to have salary schedules that can attract more experienced and more educated teachers for their pupils, most of whom would benefit by the presence of such teachers.

Finally, not only do city school districts have higher price differentials than other districts and require auxiliary services that are not always required elsewhere, it is apparent that cities do, in fact, employ more high-priced personnel than other areas. Thus, of the 31 large cities for which there is data, average classroom teacher salaries generally ran 6.5 percent more than state average and the proportion of teachers at the high end of the salary schedule, those earning $13,500 or more per year, is 168 percent above state average. Cities then pay more for their teachers and consequently attract more high-priced teacher personnel (see Table 6).

This last factor, then, adds just another dimension to the fiscal burdens of large cities. Having high educational needs, they also have to pay extraordinary costs for the resources that can be used to meet those needs. This means quite simply that purchasing

TABLE 6

Average Teacher Salaries and Percent of Teachers With Salaries Over $13,000 1971	Average Classroom Teacher Salary		Percent of Teachers Earning More Than $13,000 1971	
	City	State	City	State
Baltimore, Md.	$ 9,373	$10,091	15.1%	6.2%
Boston, Mass.	9,900	9,500	NA	4.8
Newark, N. J.	10,207	10,050	24.1	8.7
Paterson, N. J.	9,802	10,050	4.7	8.7
Buffalo, N. Y.	10,035	11,100	13.1	22.0
New York, N. Y.	10,971	11,100	33.9	22.0
Rochester, N. Y.	10,524	11,100	22.4	22.0
Philadelphia, Pa.	11,170	9,300	36.4	2.2
Chicago, Ill.	11,017	10,233	29.3	9.6
Indianapolis, Ind.	9,927	9,272	3.4	1.6
Detroit, Mich.	11,414	10,647	45.4	11.0
Minneapolis, Minn.	10,484	9,271	26.9	8.0
Kansas City, Mo.	10,001	8,373	3.2	0.0
St. Louis, Mo.	9,858	8,373	.2	0.0
Cincinnati, Ohio	9,944	8,798	6.1	3.2
Cleveland, Ohio	9,681	8,798	5.8	3.2
Columbus, Ohio	9,236	8,798	6.9	3.2
Dayton, Ohio	10,030	8,798	1.7	3.2
Milwaukee, Wis.	10,575	9,640	16.0	4.2
Miami, Fla.	9,999	8,805	13.9	2.0
Atlanta, Ga.	8,962	7,778	.4	.1
New Orleans, La.	8,657	8,340	--	.2
Dallas, Texas	8,313	8,325	--	.1
Houston, Texas	8,962	8,325	--	.1
San Antonio, Texas	8,113	8,325	--	.1
Los Angeles-Long Beach, Calif.	11,555	11,022	34.8	20.0
San Diego, Calif.	11,158	11,022	4.9	20.0
San Francisco, Oakland, Calif.	11,465	11,022	7.6	20.0
Denver, Colo.	10,014	8,260	21.7	1.5
Portland, Ore.	9,762	9,298	--	.7
Seattle-Everett, Wash.	10,791	9,250	33.9	5.9
TOTAL (UNWEIGHTED AVERAGE)	$ 9,763	$ 9,158	13.7%	5.2%

Source: NEA Data on Teacher Salary Characteristics

dollars cannot go as far in cities as they can in other places. Consequently, the cities face a cost squeeze exactly at a time when they need more and higher-priced resources for their educational enterprises.

Summary. The previous information suggests that cities are caught in a truly menacing fiscal situation. They have extraordinary educational need which must be met by the purchase of greater quantities and higher-priced resources than needed in other school districts, particularly suburban ones. Thus, their fiscal requirements have a need and cost dimension which is truly extraordinary in nature.

Yet, what resources do they have to meet these fiscal requirements? Clearly, their fiscal capacity is not markedly above state average and available data indicate that such capacity is declining over time. At the same time their overall tax burden is considerably higher than other areas and effectively prohibits them from devoting more resources to education. High tax rates, moreover, are just one more factor in promoting the flight of taxable resources from the city.

Cities, then, have high educational needs and relatively scarce resources with which to meet those demands. Consequently, one would logically expect that cities would be truly deserving of considerable state and federal assistance in order to meet their needs.

II

While it is of concern that most school finance systems fail to recognize the dimensions of urban fiscal stress, it is even

more troublesome to scrutinize the fiscal effects of various school finance reforms on large cities.[12] Work done by the authors of this paper in Virginia and elsewhere highlight this point.[13] Analysis of full state funding schemes or ones which make use of variable equalization techniques based solely on school district wealth or school tax effort all have the deleterious effect of redistributing money away from cities to rural and, in some cases, suburban areas.

The considerable work done by the Bureau of Educational Research at the University of Virginia, provides ample demonstration of that fact in this State. In their recent analysis of Virginia school finances and their appraisal of proposed changes in the Virginia school finance formula,[14] the Bureau has indicated numerous alternative finance formulae that might better channel more basic school aid into central city jurisdictions (see Table 7). Yet, as of this writing consideration is still being given to the adoption of a traditional wealth-equalizing formula that does not account for many of the pressing central city needs already enumerated. If such "reforms" are adopted in the forthcoming legislative session, urban areas may find their fiscal pressures further exacerbated. In that condition, one could hardly expect these same hard-pressed urban jurisdictions to undertake such programs as year-round schools.

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12. Berke and Callahan, op. cit.

13. Citations of Connecticut and Massachusetts NEA Studies.

14. John Callahan and Carolyn Trent, "Measurement of Local Wealth," Report prepared for the Governor's Advisory Task Force on School Finance by the Bureau of Educational Research, University of Virginia.

TABLE 7

STATE AID EFFECTS BY FISCAL CAPACITY INDEX

AID LEVEL/CAPACITY INDEX

Jurisdiction	Foundation Level: $628		Foundation Level: $700		Foundation Level: $860	
	J Factor Per Pupil Composite	Per Capita Property Values and Income Composite	J Factor Per Pupil Composite	Per Capita Property Values and Income Composite	J Factor Per Pupil Composite	Per Capita Property Values and Income Composite
Central Cities	$298	$341	$333	$381	$409	$468
Established Suburbs	$275	$273	$307	$304	$377	$374
Developing Suburbs	$251	$333	$279	$371	$343	$455
Small Urban Areas	$345	$366	$384	$408	$472	$502
Towns	$410	$298	$457	$333	$562	$408
Rural Areas	$342	$340	$381	$380	$468	$466
Richmond	$232	$322	$259	$359	$318	$441
Norfolk	$289	$376	$322	$419	$396	$515
Hampton	$393	$358	$438	$400	$538	$491
Fairfax Co.	$251	$159	$280	$177	$344	$218
Chesterfield	$364	$255	$406	$284	$499	$349
Prince William	$332	$270	$371	$301	$456	$369
Albemarle	$245	$244	$273	$272	$335	$334
Charlottesville	$163	$297	$182	$320	$224	$393
Accomack	$389	$408	$434	$454	$533	$558
Bath	$327	$353	$364	$394	$447	$484
Louisa	$389	$354	$434	$394	$533	$485
Matthews	$229	$290	$256	$323	$314	$397
Nelson	$393	$370	$438	$412	$538	$506
Fluvanna	$298	$247	$333	$276	$409	$339
Green	$418	$398	$466	$444	$572	$545
Orange	$295	$275	$329	$306	$404	$377
Harrisonburg	$157	$321	$175	$358	$215	$440
Culpeper	$305	$292	$340	$325	$417	$400
Madison	$336	$321	$375	$358	$460	$440
Page	$336	$349	$375	$389	$460	$477
Rappahanick	$207	$205	$231	$228	$284	$281
Rockingham	$377	$371	$420	$414	$516	$508
Amherst	$386	$412	$431	$459	$529	$564
Lynchburg	$279	$335	$312	$374	$383	$459
Campbell	$371	$354	$413	$394	$507	$485
Arlington	-$220	$ 90	-$245	$101	-$301	$124

In short, the denial of central city educational aid will mean the denial of year-round schools for urban areas. It is questionable whether we should allow this to occur. What would be even more devestating, however, is to promote year-round schools as a desirable educational reform, ignore city fiscal constraints that prevent it from being adopted in urban areas, and then unwittingly channel money to more well-off suburban areas that can more easily undertake such programs. Such a policy would amount to a subsidy for the already well-off. Yet, this seems to be exactly what is occurring in Virginia and elsewhere in the nation. Year-round schools is predominantly a suburban venture and one that will not be adopted in urban areas until we undertake fundamental and full-scale reform of present educational finance systems.